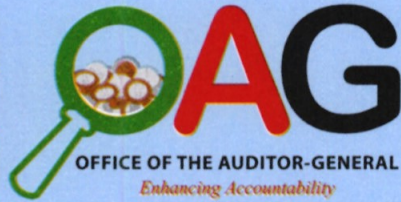


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 01 JUL 2026

DAY.

WEDNESDAY

TABLED
BY:

HON. DWEN BAYA, M.P.

OF

CLERK-AT
THE-TABLE:

CHRISTINE NOIRITU

THE AUDITOR-GENERAL

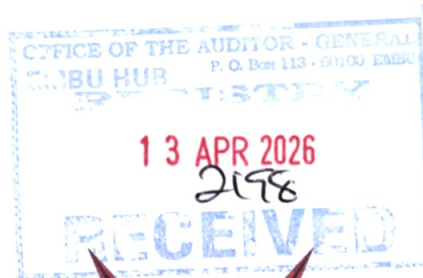
ON

PARLIAMENT
OF KENYA
LIBRARY

MAKANYANGA SECONDARY SCHOOL

FOR THE YEAR ENDED
30 JUNE, 2022

THARAKA NITHI COUNTY



Revised 30th June 2022.



MAKANYANGA SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2022

Prepared in accordance with the Cash Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

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I. Key School Information And Management**(a) Background information**

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is located in **Tharaka Nithi** County, **Igambang'ombe** Sub-County

The school was registered in **5/2014** under registration number **PU/S/2/9347/14** and is currently categorized as a **Sub-county** public school established, owned and operated by the Government.

The school is a **day and boarding** school and had **296** number of students as at **30th June 2022**. It has **2** streams and **17** teachers of which **6** teachers are employed by the School Board of Management.

(b) School Board of Management - Board Members

The School Board of Management established under Section 55 of the Basic Education Act, 2013; is composed of the following members:

Ref:	Name of Board Member	Designation	Date of appointment
1	M/S EDDAH GACHUKIA	Chairman	2/7/2019
2	MR. RUGURU F. MUTEMBEI	Secretary - Principal	2/7/2019
3	MR. CHARLES KAJATA	Member	2/7/2019
4	MR. MS. NAOMI MAKEMBO	Member	2/7/2019
5	MR. ALEX KIMATHI	Member	2/7/2019
6	MR. CHARLES KINYUA	Member	2/7/2019
7	MR. FREDRICK MUGAMBI	Member	2/7/2019
8	DR. COLOMBA KABURI	Member – Rep CEB	2/7/2019
9	MR. KAGIMBI F. KARIUKI	Member Rep Teachers	2/7/2019
10	FR. FRANKLINE NJABAANI	Members - Sponsor	2/7/2019
11	M/S AGNES GAKERI	Members - Sponsor	2/7/2019
12	MR. LOSCO MUTWIRI	Members - Sponsor	2/7/2019
13	MR. ISAIAH KIRIMI	Members – PTA Chairperson	2/7/2019
14	MR. RAPHAEL MWINDI	MemberSpecial Needs	2/7/2019
15	JEDIDAH MAITI	Rep Students	2/7/2019

Key School Information and Management (Continued)

The function of the School Board of Management include:

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the School
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of pupils' discipline and make reports to the CEB
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB
- Administer and manage the resources of the School
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

(c) Committees of the Board

Ref:	Name of Committee	Names of Members	Designation	Number of meetings attended during the year
1	Executive Committee	MS. EDDAH GACHUKIA RUGURU F. MUTEMBEI ISAIAH KIRIMI FREDRICK MUGAMBI CHARLES KINYUA	CHAIR SECRETARY MEMBER – P.A MEMBER MEMBER	3 out of 3
2	Audit Committee	FREDRICK MUGAMBI FRANKLINE F. RUGURU AGNES GAKERI	CHAIR SECRETARY MEMBER	3 out of 3
3	Finance, procurement and general purposes Committee	FREDRICK MUGAMBI CHARLES KINYUA ISAIAH KIRIMI	CHAIR MEMBER MEMBER	2 out of 2
4	Academic Committee	DR. COLOMBA KABURI RUGURU F. MUTEMBEI MS. EDDAH GACHUKIA KAGIMBI FRANKLINE	CHAIR SECRETARY MEMBER MEMBER	3 out of 3
5	Development Committee	CHARLES KINYUA FREDRICK MUGAMBI ISAIAH KIRIMI	CHAIR MEMBER MEMBER	2 out of 3
6	Discipline and welfare Committee	FREDRICK MUGAMBI FRANKLIN KAGIMBI CHARLES KANJATA RUGURU F. MUTEMBEI	CHAIR SECRETARY MEMBER MEMBER	3 out of 3

MAKANYANGA SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2022

7	Adhoc Committee (if any during the year)			

(d) School operation Management

For the financial year ended *30th June 2022* the School day-to-day management was under the following persons:

Ref:	Designation	Name	TSC Number
1	Principal	MR. RUGURU F. MUTEMBEI	305809
2	Deputy Principal	MR. KAGIMBI F. KARIUKI	357127
3	School Bursar	JACKLINE KATHURE	ICPAK NO: N/A

(e) Schools contacts

Post Office Box : 756-60400 CHUKA

Telephone : 0721 646 742

E-mail : makanyangasecondaryschool6@gmail.com

Website :

Facebook :

Twitter :

(f) School Bankers

The following school operated 4 number of bank accounts in the following banks:

1. TUITION ACCOUNT

Name of Bank : CO-OPERATIVE BANK
Branch : CHUKA
Account Number : **01139057838400**

2. OPERATIONS ACCOUNT

Name of Bank : CO-OPERATIVE BANK
Branch : CHUKA
Account Number : **01139057838401**

3. LUNCH PROGRAMME

Name of Bank : CO-OPERATIVE BANK
Branch : CHUKA
Account Number : **01134057838400**

4. INFRASTRUCTURE ACCOUNT

Name of Bank : CO-OPERATIVE BANK
Branch : CHUKA
Account Number : **01139057838402**

(g) Independent Auditors

Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

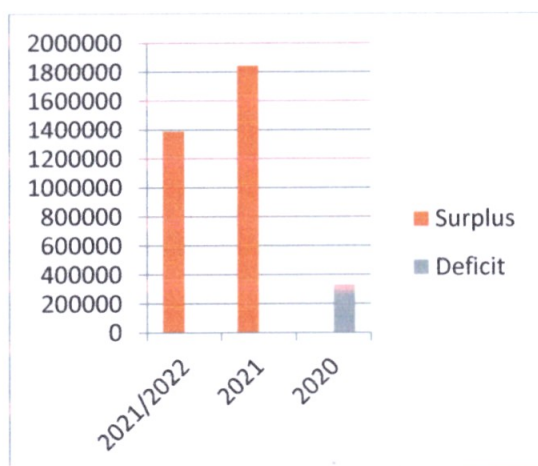
II. Summary Report Of Performance Of The School

The following is a summary report of the performance of the school against the set performance evaluation criteria:

a) Financial performance:

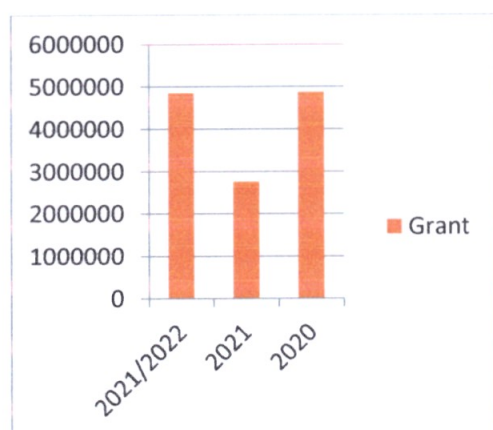
1. Surplus/Deficit for the year

YEAR	2021/2022	2021	2020
Surplus	1387591.00	1844294.00	
Deficit			330830.00



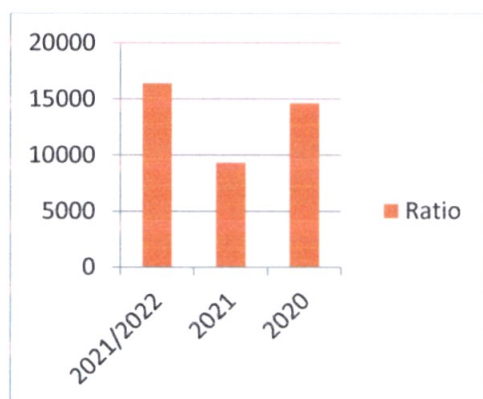
2. Capitation Grants from the Ministry of Education for the last three years

YEAR	2021/2022	2021	2020
Grant	4855718.00	2759614.00	4872891.00



3. Ratio of capitation grant per student over the last three years

YEAR	2021/2022	2021	2020
Ratio	1:16404.44	1:9323.02	1:14633.30



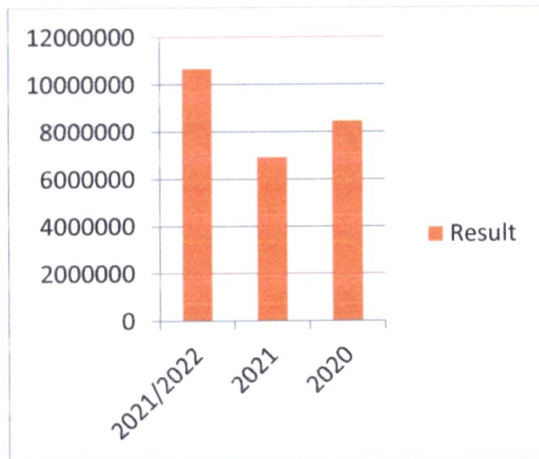
4. A three year overview of growth of other incomes earned by the school

YEAR	2021/2022	2021	2020
Results	60000.00	310360.00	2889.00



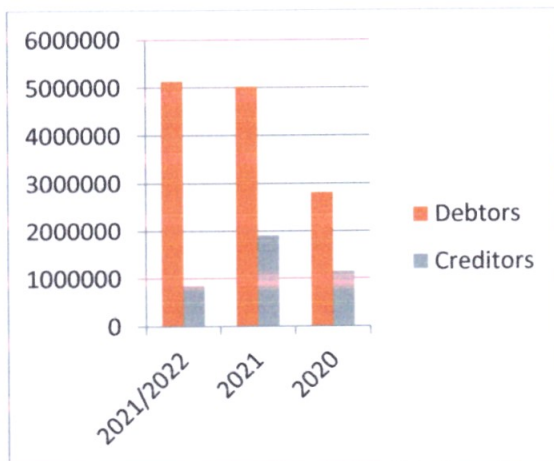
5. A three year overview of Expenditure of the school

YEAR	2021/2022	2021	2020
Result	10659948.00	6935485.00	8476157.00



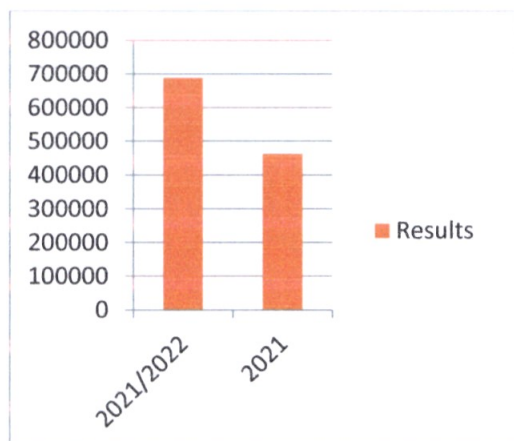
6. Movement of creditors and debtors of the school over the last three years

YEAR	2021/2022	2021	2020
Debtors	5136221.00	5021969.00	2813635.00
Creditors	855888.00	1902480.00	1150500.00



7. Movement of cash and bank balances over the last three years

YEAR	2021/2022	2021
Results	688797.31	462050.41



b) Teacher Student ratio:

Teacher to students ratio	1:17
No of teachers posted	0
No of teachers transferred/retired/interdicted	
TSC employed teachers	11
BOM Employed teachers	6
Intern	
Shortfall in	7

S/NO	SUBJECTS	NO. OF TEACHERS	SHORTFALL
1	MATHS/MATHS	1	
2	KISW/HIST	4	
3	MATHS/PHY	2	1
4	BIO/CHEM	2	1
5	GEO/BST	1	
6	AGR/BIO	1	1
7	KISW/CRE	1	
8	ENG/LIT	2	2
9	GEO/HIST	1	
10	MATHS/CHEM	1	1
11	MATHS/BST	1	1
	TOTAL	17	7

THE TABLE BELOW SHOW THE SCHOOL'S NUMBER OF TEACHERS AND THEIR SUBJECT COMBINATIONS

S/NO	NAME	SUBJECTS	EMPLOYER
1	RUGURU F. MUTEMBEI	MATHS/MATHS	TSC
2	KAGIMBI F. KARIUKI	KISW/HIST	TSC
3	JACKIM MURIUKI	MATHS/PHY	TSC
4	CHEPKWEMOI ISABELLAR	BIO/CHEM	TSC
5	ANTONY KINYUA	KISW/HIST	TSC
6	CHIMBA N. MURITHI	GEO/BST	TSC
7	KIURA M. MOSES	BIO/CHEM	TSC
8	JOANA D. KITHAKA	BIO/AGR	TSC
9	DOREEN MAKENA NDEKE	KISW/CRE	TSC
10	DAMARIS NKIROTE KITHINJI	ENG/LIT	TSC
11	JOSEPH NYAGA NJERU	GEO/HIST	TSC
12	KITHAKA MERCY NYAKIO	ENG/LIT	BOM
13	SHADRACK MASILA	MATHS/CHEM	BOM
14	MICHAEL GITONGA	MATHS/BST	BOM
15	TIMOTHY MURIUKI	MATHS/PHY	BOM
16	LENAH KAWIRA	KISW/HIST	BOM
17	FLOSSY KAIMENYI	KISW/HIST	BOM

c) Mean score in the 2021/2020/2019 KCSE:

YEAR	MEAN SCORE	MEAN GRADE	DEVIATION
2021	2.6343	D	- 0.12
2020	2.763	D	-0.259
2019	3.022	D	+0.088

d) Number of Candidates in the 2021/2020/2019 KCSE:

YEAR	NUMBER OF STUDENTS
2021	56
2020	76
2019	45

e) Capacity of the school:

The total number of students in the school year 2021 is 296.

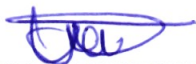
Facilities available:

AVAILABLE	UNITS	CAPACITY	SHORTAGE
Laboratory	1	40	2
Toilets	26	160	10
Dining Hall	1	200	1
Classrooms	7	280	2

Summary Report of the Performance of the School (Continued)

f) Development projects carried out by the school:

PROJECT	SOURCE OF FUNDS	COST (KSHS)
Purchase of Generator	M.O.E (RMI)	96,000.00
Renovations of teachers quarters and other repairs in the school	Parents fees	250000.00
Total		346000.00



School Principal

MAKANYANGA SECONDARY SCHOOL

P. O. Box 756-60400, CHUKA

Date: 11/4/22 Sign: 

III. Statement Of School Management Responsibility

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board (PSASB) of Kenya from time to time.

Schedule 4 (Section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be keep all proper books and records of accounts of the income, expenditure and assets of the institution.

The Board of Management of *Makanyanga secondary school* accepts responsibility for the school's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

The Board of Management is of the opinion that the school's financial statements give a true and fair view of the state of the school's transactions during the financial year ended **30th June, 2022**, and of the school's financial position as at that date.

Sign.....

Name: **CHARITY WILLIAM (MS)**

Designation: Chairman, School Board of Management

Date: 11/4/26

Sign.....

Name: **JELITHA KAWIRA (MRS)**

Designation: School Principal & Secretary to Board of Management

Date: 11/4/26

Sign.....

Name: **MUNENE FRED**

Designation: Bursar/ Finance Officer

Date: 11/4/26

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON MAKANYANGA SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2022 – THARAKA NITHI COUNTY

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Makanyanga Secondary School set out on pages 1 to 15, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2022 and the statement of receipts and payments, statement of

cash flows and statement of budgeted versus actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Makanyanga Secondary School as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Basic Education Act, 2013 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Accuracy and Presentation of the Financial Statements

Audit review of the financial statements presented for audit revealed the following anomalies;

- i. Under the School background information on page iv, the Management has disclosed a total student population of two hundred and ninety-six (296) as at 30 June, 2022. However, records from the County Director of Education had two hundred and ninety-seven (297) students while data from National Education Management and information System (NEMIS) reflected three hundred and nine (309) resulting to unreconciled variances.
- ii. The statement of financial assets and financial liabilities and as disclosed in Note 12 reflects accounts payable of Kshs.868,788. However, casting down Note 12 reflected total accounts payables balance of Kshs.855,888 resulting to an unreconciled variance of Kshs.12,900.
- iii. The statement of budgeted versus actual amounts reflects actual total receipts of Kshs.12,137,435. However, the statement of cashflows under cash flows from operating activities reflects total receipts of Kshs.11,933,287 resulting to an unexplained variance of Kshs.204,148.
- iv. The statement of budgeted versus actual amounts reflects actual total expenditure of Kshs.10,659,948. However, the statement of cashflows under cash flows from operating activities reflects total payments of Kshs.11,706,540 resulting to an unexplained variance of Kshs.1,046,592.
- v. The statement of budgeted versus actual amounts reflects actual total receipts of Kshs.12,137,435. However, casting down the receipts reflected a total of Kshs.12,272,539 resulting to an unreconciled variance of Kshs.135,104.
- vi. The statement of budgeted versus actual amounts reflects actual total payments of Kshs.10,659,948. However, casting down the payments reflected a total of Kshs.10,528,948 resulting to an unreconciled variance of Kshs.131,000.

- vii. The headings of the comparative year amounts of the financial statements and Notes to the financial statements were indicated as '2021' instead of '2020-2021'.
- viii. The financial statements were irregularly approved and signed by a non – employee designated as the bursar/finance officer of the Board of management of the School.
- ix. Casting down the Notes to the financial statements against the supporting ledgers revealed unreconciled variances as detailed in **Appendix 1**.

In the circumstances, the classification, accuracy, completeness and presentation of the financial statements could not be confirmed.

2. Unsupported Accounts Receivable

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.5,136,221 as disclosed in Note 11 to the financial statements. However, the supporting schedules, detailed ageing analysis and issued invoices were not provided for audit review.

In the circumstances, the accuracy and completeness of the accounts receivable balance of Kshs.5,136,221 could not be confirmed.

3. Unsupported and Long Outstanding Accounts Payables

The statement of assets and liabilities reflects payables balance of Kshs.868,788 as disclosed in Note 12 to the financial statements. However, a detailed ageing analysis of the trade and other payables detailing the suppliers' information, invoice details, ageing categories and references numbers such as local purchase orders and local service orders were not provided for audit. Further, included in the balance are payables balance of Kshs.312,010 which had been outstanding for more than one (1) year, and risk of loss of public funds through litigations, interests and penalties. This was contrary to Regulation 42(1)(a) of the Public Finance Management (National Government) Regulations, 2015 which states that, 'service payments shall be a first charge on the Consolidated Fund and the Accounting Officer shall ensure this is done to the extent possible that the government does not default on debt obligations.

In the circumstances, the accuracy, existence and completeness of payables balance of Kshs.868,788 could not be confirmed. Further, Management was in breach of the law.

4. Unsupported Cash and Cash Equivalents Balance

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.688,797 as disclosed in Notes 8 and 9 to the financial statements. However, the cashbook and bank reconciliation for three (3) accounts were not provided for audit verification. In addition, the balance excludes one (1) account held at cooperative bank. Further, the certificate of bank balance reflected nil balances for both the tuition and operations accounts as at 30 June 2022. However, the bank statements availed for audit reflected balances of Kshs.259,661 and Kshs.14,603 for tuition and operations accounts respectively, resulting to unreconciled variances.

In the circumstances, the accuracy, completeness, existence of cash and cash equivalents balance of Kshs.688,797 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Makanyanga Secondary School Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.16,050,000 and Kshs.12,137,435 respectively, resulting in an under-funding of Kshs.3,912,565 or 24 % of the budget.

Similarly, the School spent Kshs.10,659,948 against actual receipts amount of Kshs.12,137,435 resulting in an under - expenditure of Kshs.1,477,487 or 12% of the actual receipts.

The under-funding and under - utilization may have impacted negatively on the planned activities and service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

Management is responsible for the Other Information set out on pages iii to xv, which comprise of Key School Information and Management, Summary Report of Performance of the School and Statement of School Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the School's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Late Submission of the Financial Statements

During the year under review, Management submitted the financial statements to the Auditor-General on 30 September, 2024 instead of the statutory deadline of 30 September, 2022. This was contrary to Section 68(2)(k) of the Public Finance Management Act 2012 which states that an accounting officer shall prepare annual financial statements for each financial year within three months after the end of the financial year, and submit them to the Controller of Budget and the Auditor-General for audit

In the circumstances, Management was in breach of the law.

2. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of receipts and payments reflects total payments amount of Kshs.10,659,948. Included in the expenditure is an amount of Kshs.367,820 transferred to Kenya Secondary School Heads Association (KESSHA) as shown below.

However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.367,820 could not be confirmed.

3. Unconfirmed Students Enrolment Data

The statement of receipts and payments reflects capitation grants for tuition and capitation grants for operations totalling Kshs.4,855,718, comparison of data from National Education Management and information System (NEMIS) with records from the County Director of Education revealed that during the financial year, NEMIS reflected

three hundred and nine (309) students while records from the County Director of Education had two hundred and ninety-seven (297) students, resulting in an expected over-funding by twelve (12) students each expected to receive Kshs.22,244 totalling Kshs.266,928. This was contrary to the Ministry of Education Circular MOE.HQS/3/10/18 Vol.II/ (46) dated 07 February, 2022 on implementation of Free Day Secondary Education (FDSE) which requires all learners be registered in NEMIS and the principals to ensure their records are accurate.

In the circumstances, over-funding of the School may have led to inefficient utilization of public resources.

4. Excess Supply of Books

During the year under review, the Ministry of Education distributed textbooks to public secondary schools through Kenya Institute of Curriculum Development (KICD). Examination of records revealed that the Institute distributed one hundred and fifty-seven (157) books to the school. However, the unexplained excess text books remained unissued to the students at the time of the audit in March 2026.

In the circumstances, value for money on the excess one hundred and fifty-seven (157) books could not be confirmed.

5. Failure to prepare a school Improvement Plan

During the year under review, the school management failed to prepare a school improvement plan or a strategic plan and submit for approval by the Board of Management and the County Education Board. Thus, it was not clear what mechanisms the school management had put in place to improve the school environment and learning outcomes, contrary to section 2.2. of the Operation Manual from the Ministry of Education describes the context of preparation and content of a School Improvement Plan (SIP).

In the circumstances, Management was in breach of the law.

6. Failure to transfer Infrastructure Funds from Operations Bank Account to Infrastructure bank Account

The statement of receipts and payments reflects operations grants amount of Kshs.3,935,091 as disclosed in Note 2 to the financial statements from the Ministry of Education credited in the operations bank account. However, no money was transferred to infrastructure account as at 30 June, 2023. This was contrary to The Ministry of Education Circular Ref. No: MOE.HQS/3/10/18 Vol.II/(46) dated 07 February, 2022, which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

In the circumstances, Management was in breach of the law.

7. Failure to Submit for Approval the Estimates of Revenue and Expenditure

Audit review revealed that the School Management failed to submit estimates of revenue and expenditure for approval to the cabinet secretary of education in the manner and format issued by the Cabinet Secretary, contrary to provisions of Section 16(1) and (2) of the Basic Education Act, 2013. Therefore, by operating without an approved budget, the institution is in breach of the Basic Education Act, 2013.

In the circumstances, Management was in breach of the law.

8. Lack of a Functional Procurement Unit

The school did not have an established procurement function managed by qualified procurement professional as required under Section 47(2) of the Public Procurement and Asset Disposal Act, 2015 and Regulation 33 of the Public Procurement and Asset Disposal Regulations, 2020. Procurement activities were undertaken by individuals lacking the requisite qualifications.

In the circumstances, Management was in breach of the law.

9. Irregular Recruitment of Board of Management Staff

Review of the documents provided for audit revealed that the School had eight (8) non-teaching staff. However, the staff establishment, advertisement for the positions, employment contracts, short listing and records of interviews conducted were not provided for audit review. In addition, the Board of Management failed to employ a school bursar or finance officer, which is a critical role in financial management in the school. This was contrary to Article 232(g) of the constitution 2010 which requires fair competition and merit as the basis of appointments and promotions in the public service.

In the circumstance, Management was in breach of the law.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1.0 Lack of Internal Audit Function and Audit Committee

During the year under review, the School did not have an internal audit unit and audit committee as required by Regulation 166(1) and (2) of the Public Finance Management (National Government), 2015 which states that, the internal audit unit of a National Government entity to assess effectiveness of the school through an internal performance appraisal commenting on its effectiveness in the annual report to the National Treasury.

In the circumstances, the existence of an effective oversight mechanisms could not be confirmed.

2.0 Weaknesses in the Board of Management

Review of records indicated that the Board of Management and its respective committees failed to convene any meeting during the financial year under review contrary to Paragraph A2 of the Circular Ref. No OP/CAB.9/1A from the Head of Public Service dated 11 March, 2020 which stipulates that Board meetings shall be restricted to a minimum of four and capped at a maximum of six for each financial year, and in addition, the same principle shall apply to respective Committees of the Boards.

In the circumstances, the effectiveness of the governance mechanism at the school could not be confirmed.

3.0 Weaknesses in Management of Assets

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.48,393,200. However, the assets including desk top computers, office desks, tables, office cabinets and chairs were not tagged. In addition, there is no evidence that the Management of the School had insured the buildings with a value of Kshs.22,965,000 as required by law. Therefore, the buildings could be exposed to the risk of loss in case of fire, riots or damages.

In the circumstances, the existence of effective measures in the management of assets could not be confirmed.

4.0 Weaknesses in ICT Controls

An assessment of the IT environment across the school revealed multiple critical weaknesses indicating inadequate ICT governance, data protection, and systems control. The following shortcomings were observed:

- i. The School has a system used to record income. However, during the audit period, this system was not accessible and verifiable.
- ii. There is no formally approved ICT policy to guide the development, deployment, use, and management of ICT resources within the entity.
- iii. Staff use personal email (Gmail) addresses for official communication, which undermines data security and organizational accountability.
- iv. The entity lacks a documented data protection policy to ensure that the collection, handling, storage, and sharing of data comply with legal and regulatory data protection requirements.
- v. There is no centralized and updated ICT asset register to track, manage, or safeguard ICT infrastructure and equipment.
- vi. There is no formalized data backup process, exposing the entity to the risk of data loss in the event of system failure, cyberattack, or accidental deletion.
- vii. No disaster recovery plan, in the absence of a disaster recovery plan, the entity lacks the capacity to restore operations promptly following system disruptions or disasters.

In the circumstances, the efficiency in the use of IT within the School could not be ascertained.

5.0 Weak Controls in Inventory Management

Note 17 of the financial statements under other important disclosure notes disclosed an inventory closing balance of Kshs.16,551,985. However, the stock take report in support of the balance was not provided for audit review. In addition, the Management uses the manual stores ledgers to manage inventories instead of setting up an inventory management system to be managed by head of procurement function.

In the circumstances, the existence of effective measures in the management of inventory assets could not be confirmed.

6.0 Long Outstanding Receivables

The statement of financial assets and financial liabilities reflects accounts receivable balance of Kshs.5,136,221 in respect of fees arrears as disclosed in Note 11 to the financial statements. Included in the balance is accounts receivable balance of Kshs.2,283,005 which had been outstanding for more than two (2) years without recovery. However, there was no detailed ageing analysis and policy on the impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

In the circumstances, the existence of effective mechanisms for debt management could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and Board of Management

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

The Board of Management is responsible for overseeing the school's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected

Report of the Auditor-General on Makanyanga Secondary School for the year ended 30 June, 2022 - Tharaka Nithi County

to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

13 April, 2026

Appendix I

Unreconciled Variance Between the Financial Statements and the Supporting Documents

Note to the Financial Statement	Financial Statement (Kshs.)	Supporting Schedule (Kshs.)	Variance Kshs.
Total Receipts	12,047,539	-	12,047,539
Note 5: Tuition Payments			
Laboratory Equipment	400,000	-	400,000
Teaching / Learning Materials	10,000	-	10,000
Bank Charges	1,320	1,200	120
Stationery	144,450	249,165	- 104,715
Note 6: Payments for Operations			
Personnel Emoluments	1,621,795	1,643,208	- 21,413
Administration Cost	669,540	998,540	- 329,000
Repairs And Maintenance & Improvements	314,100	492,100	- 178,000
Infrastructure	-	400,000	- 400,000
Activity Expenses	18,085	249,165	- 231,080
Bank Charges	2,280	720	1,560
School Fund	-	143,250	- 143,250
Note 8: Payments for School Fund			
Personnel Emoluments	295,510	362,480	- 66,970
Repairs And Maintenance & Improvements	191,750	125,250	66,500
Local Transport / Travelling	240,600	255,100	- 14,500
Administration Costs	1,374,420	1,705,395	- 330,975

Report of the Auditor-General on Makanyanga Secondary School for the year ended 30 June, 2022 - Tharaka Nithi County

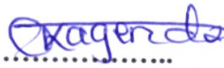
Fee On Boarding Equipment and Stores	4,693,698	4,687,499	6,199
Bank Charges	8,530	-	8,530
Gratuity	10,000	-	10,000
Expenses on income generating activities	54,350	55,700	-1,350
Contra	-	50,000	- 50,000
Medical	11,165	6,540	4,625

MAKANYANGA SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2022

V. Statement Of Receipts And Payments Period To 30th June 2022

Description Of Vote Head	Note	2021/2022	2021
		Kshs	Kshs
Receipts			
Capitation grants for tuition	1	920627.00	380393.00
Capitation grants for operations	2	3935091.00	2379221.00
School fund income- parents' contributions	3	7131821.00	5709805.00
School fund income- other receipts	4	60000.00	310360.00
Proceeds from borrowings			
Total Receipts		12047539.00	8779779.00
Payments			
Payments for tuition	5	555770.00	850455.00
Payments for operations	6	2965470.00	2398560.00
Boarding and school fund payments	7	7138708.00	3686470.00
Total Payments		10659948.00	6935485.00
Surplus/Deficit		1387591.00	1844294.00

The school financial statements were approved on 11/4/20 2026 and signed by:

Sign.....
Name: CHARITY WILLIAM
(MS)

Sign.....
Name: JELITHA KAWIRA(MRS)

Sign.....
Name: MUNENE FRED

Chair BOM

School Principal/ Secretary to BOM

Bursar/ Finance Officer

Date: 11/4/20

Date: 11/4/20

Date: 11/4/20

MAKANYANGA SECONDARY SCHOOL

Reports and Financial Statements For the year ended 30th June 2022

VI. Statement Of Financial Assets And Financial Liabilities As At 30th June 2022

Description	Note	2021/2022	2021
		Kshs	Kshs
Financial Assets			
Cash and cash equivalents			
Bank balances	8	666582.00	459463.00
Cash balances	9	22215.00	2587.00
Short term investment	10		
Total cash and cash equivalent		<u>688797.00</u>	<u>462050.00</u>
Account's receivables	11	5136221.00	5021969.00
Total financial assets		4254842.98	5484019.00
Financial liabilities			
Accounts payables	12	868788.00	1902480.00
Net financial assets		4956230.00	3581539.00
Represented by			
Accumulated fund b/fwd	13	3581539.00	1737245.00
Surplus/deficit for the year		1374691.00	1844294.00
Net financial position		4956230.00	3581539.00

The school financial statements were approved on 11/4/26 2026 and signed by:

Sign.....
Name: CHARITY WILLIAM
(MS)

Chair BOM

Date: 11/4/26

Sign.....
Name: JELITHA KAWIRA(MRS)

School Principal/ Secretary to BOM

Date: 11/4/26

Sign.....
Name: MUNENE FRED

Bursar/ Finance Officer

Date: 11/4/26

MAKANYANGA SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2022

VII. Statement of Cash Flows for The Period Ended 30th June 2022

Description	Notes	2021/2022	2021
		Kshs	Kshs
Operating activities			
Receipts			
Capitation grants for tuition		920627.00	380393.00
Capitation grants for operations		3935091.00	2379221.00
Capitation grants for infrastructure			
School fund income- parents contributions/ fees		7017569.00	3501471.00
School fund income- other receipts		60000.00	310360.00
Total receipts		11933287.00	6571445.00
Payments			
Payments for tuition		998820.00	88445.00
Payments for operations		3349102.00	2146290.00
Payments for infrastructure			
Boarding and school fund payments		7358618.00	3948770.00
Total payments		11706540.00	6183505.00
Net cash flow from operating activities		226747.00	387940.00
Cashflow from investing activities			
Proceeds from sale of assets			
Acquisition of assets			
Proceeds from investments			
Purchase of investments			
Net cash flows from investing activities			
Cashflow from borrowing activities			
Proceeds from borrowings/ loans			
Repayment of principal borrowings			
Net cash flow from financing activities			
Net increase in cash and cash equivalents		226747.00	387940.00
Cash and cash equivalent at beginning of the year		462050.00	74110.00
Cash and cash equivalent at end of the year		688797.00	462050.00

(The above presentation of cash flow statement uses the direct method of cash flow presentation which is encouraged under IPSAS. Schools' should therefore adopt the direct method of cashflow as recommended by PSASB).

VIII. Statement Of Budgeted Versus Actual Amounts for The Year Ended 30th June 2022

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Receipts						
(1) Capitation Grant on Tuition						
Textbooks And Reference Materials						
Exercise Books	800000.00		800000.00	320900.00	497100.00	40%
Laboratory Equipment	600000.00		600000.00	229800.00	370200.00	38%
Internal Exams	120000.00		120000.00	37800.00	82200.00	32%
Teaching / Learning Materials	200000.00		200000.00	120200.00	79800.00	60%
Exams And Assessment	80000.00		80000.00		80000.00	0%
Stationeries	300000.00		300000.00	211927.00	88073.00	71%
Teachers Guides						
(2) Capitation Grant on Operations						
Personnel Emoluments	2500000.00		2500000.00	1800000.00	700000.00	72%
Repairs And Maintenance	1800000.00		1800000.00	1100000.00	700000.00	61%
Local Transport / Travelling	400000.00		400000.00	160500.00	239500.00	40%
Electricity And Water	250000.00		250000.00	200900.00	49100.00	80%
Medical						
Administration Costs	800000.00		800000.00	648691.00	151309.00	81%
Activity	250000.00		250000.00	250000.00	225000.00	10%
Gratuity						

MAKANYANGA SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2022

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Smasse						
(3) Fees Charged on Parents						
Personnel Emoluments	600000.00		600000.00	409280.00	190720.00	68%
Repairs And Maintenance						
Local Transport / Travelling						
Electricity And Water	450000.00		450000.00	356950.00	93050.00	79%
Medical						
Administration Costs	600000.00		600000.00	570184.00	29816.00	95%
Activity						
Lunch programme	6200000.00		6200000.00	5795407.00	404593.00	93%
Fee On Boarding Equipment and Stores						
Other Income						
Rent Income						
Income From Farming Activities	100000.00		100000.00	60000.00	40000.00	60%
Insurance Compensation						
Income From Posho Mill						
Income From Bus Hire						
Fee For Hire of Ground And Equipment						
Interest Income						
Income From Any Other Investment						
Total Income	16046560.00		16046560.00	12137435.20	3909124.80	75.6%

MAKANYANGA SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2022

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
(1) Expenditure For Tuition						
Textbooks And Reference Materials						
Exercise Books	800000.00		800000.00		800000.00	0.0%
Laboratory Equipment	600000.00		600000.00	400000.00	200000.00	67.0%
Internal Exams	120000.00		120000.00		120000.00	0.00%
Teaching / Learning Materials	200000.00		200000.00	10000.00	190000.00	5.0%
Exams and Assessments	80000.00		80000.00		80000.00	0.0%
Stationery	300000.00		300000.00	144450.00	155550.00	48%
Bank Charges				1320.00	(1320.00)	0.0%
Teachers Guides						
Administration Costs						
(2) Expenditure For Operations						
Personnel Emoluments	2500000.00		2500000.00	1621765.00	878235.00	65%
Repairs, Maintenance & Improvements	1800000.00		1800000.00	314100.00	1485900.00	17%
Local Transport / Travelling	400000.00		400000.00	14500.00	254500.00	36%
Electricity, Water and Conservancy	250000.00		250000.00	194200.00	55800.00	78%
Medical						
Administration Costs	800000.00		800000.00	669540.00	130460.00	83%
Activity Expenses	250000.00		250000.00	18085.00	231915.00	7%
Bank charges				2280.00	(2280.00)	0.0%

MAKANYANGA SECONDARY SCHOOL
Reports and Financial Statements For the year ended 30th June 2022

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs			Kshs	Kshs
Smasse						
(3) Expenditure For School Fund						
Personnel Emoluments	600000.00		600000.00	295510.00	304490.00	49%
Repairs, Maintenance and Improvements				191750.00	(191750.00)	0.0%
Local Transport / Travelling				240600.00	(240600.00)	0.0%
Electricity, Water and Conservancy	450000.00		450000.00	254905.00	195095.00	57%
Medical Expenses				11165.00	(11165.00)	0.0%
Administration Costs	600000.00		600000.00	1374420.00	(774420.00)	0.0%
Activity				3800.00	(3800.00)	0.0%
Gratuity				10000.00	(10000.00)	0.0%
Lunch Programme	6200000.00		6200000.00	4693678.00	1506322.00	76%
Boarding Equipment and Stores						
Expenditure For Income Generating Activity	100000.00		100000.00	54350.00	45650.00	54%
Insurance Costs						
Other Expenses On Investments						
Rent Expenses						
Bank Charges				8530.00	(8530.00)	0.0%
Loan Interest Repayment						
Loan Principal Repayment						
Acquisition Of Assets						
Totals	1605000.00		1605000.00	10659948.00		

- i. ***Under-utilization:*** *The school has only received 75% of the expected revenue from 1st July 2021 to 30th June 2022*
- ii. ***Over-utilization:*** *The school has only utilized 66% of the fees collected from 1st July 2021 to 30th June 2022*

IX. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprest, salary advances and other receivables and b) payables that include deposits and retentions and payables from operations.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the *school*, and all values are rounded to the nearest Kenya Shilling (Kshs). The accounting policies adopted have been consistently applied to all the years presented.

2. Recognition of receipts and payments

The *school* recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the *school*. In addition, the *school* recognises all expenses when the event occurs, and the related cash has actually been paid out by the *school*.

3. In-kind contributions

In-kind contributions are donations that are made to the *school* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *school* includes such value in the statement of receipts and payments both as a receipt and as a payment in equal and opposite amounts; otherwise, the contribution is not recorded.

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various financial institutions at the end of the financial year.

Significant Accounting Policies (Continued)**5. Accounts Receivable**

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and agencies. Other liabilities including pending bills are disclosed in the financial statements. Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years.

7. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the school fixed asset register a summary of which is provided as a memorandum to these financial statements.

8. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *school's* budget was approved by the School Board of Management. A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

9. Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended **30th June 2022**.

X. Notes To The Financial Statements

1 Capitation Grant for Tuition

Description	2021/2022	2021
	Kshs	Kshs
Textbooks And Reference Materials		
Exercise Books	320900.00	42900.00
Laboratory Equipment	229800.00	230393.00
Internal Exams	37800.00	12000.00
Teaching / Learning Materials	120200.00	52800.00
Stationeries	211927.00	27300.00
Exams And Assessment		15000.00
Teachers Guides		
Total	920627.00	380393.00

2 Capitation Grant for Operations

Description	2021/2022	2021
	Kshs	Kshs
Personnel Emoluments	1800000.00	976321.00
Repairs And Maintenance	1100000.00	550000.00
Local Transport / Travelling	160500.00	120000.00
Electricity And Water	200900.00	90200.00
Medical		9000.00
Administration Costs	648691.00	520800.00
Activity	25000.00	112900.00
Total	3935091.00	2379221.00

3 Parents Contribution/Fees - School Fund Account

Description	2021/2022	2021
	Kshs	Kshs
Personnel emoluments	409280.00	320000.00
Repairs and maintenance		116235.00
Local transport / travelling		600000.00
Electricity and water	356950.00	170810.00
BES/Lunch programme	5795407.00	3745380.00
Administration costs	570184.00	643180.00
Activity		36200.00
Insurance		78000.00
Total	7131821.00	5709805.00

4 Other Receipts – School Fund Account

Description	2021/2022	2021
	Kshs	Kshs
Fee On Boarding Equipment and Stores		
Rent Income		
Income From Farming Activities	60000.00	60000.00
Insurance Compensation		
Income From Posho Mill		
Income From Bus Hire		285360.00
Fee For Hire of Ground and Equipment		
Income From Grants and Donations*		
Interest Income		
Dividends Income		
Total	60000.00	310360.00

5 Payments For Tuition

Description	2021/2022	2021
	Kshs	Kshs
Exercise Books		
Laboratory Equipment	400000.00	452660.00
Internal Exams		10600.00
Teaching / Learning Materials	10000.00	
Stationeries	144450.00	386835.00
Exams And Assessment		
Teachers Guides		
Administration Costs		
Bank Charges	1320.00	360
Total	555770.00	850455.00

Notes To The Financial Statements (Continued)

6 Payments For Operations

Description	2021/2022	2021
	Kshs	Kshs
Personnel Emoluments	1621765.00	938225.00
Administration Cost	669540.00	472070.00
Repairs And Maintenance & Improvements	314100.00	786735.00
Local Transport / Travelling	145500.00	111500.00
Electricity And Water	194200.00	83050.00
Medical		6500.00
Activity Expenses	18085.00	
Smasse		
Insurance Cost		
Bank Charges		
Acquisition Of Assets	2280.00	480.00
Total	2965470.00	2398560.00

Notes To The Financial Statements (Continued)

7 Boarding And School Fund Payments

Description	2021/2022	2021
	Kshs	Kshs
Personnel Emoluments	295510.00	108760.00
Administration Costs	1374420.00	373595.00
Repairs And Maintenance & Improvements	191750.00	39400.00
Local Transport / Travelling	240600.00	365100.00
Electricity And Water	254905.00	68870.00
Medical Expenses	11165.00	
Activity	3800.00	30500.00
Administration Costs		
Lunch Programme	4693678.00	2658115.00
Bank Charges	8530.00	840.00
Expenses On Income Generating Activities	54350.00	3620.00
Insurance		37670.00
Fee On Boarding Equipment and Stores		
Gratuity	10000.00	
Total	7138708.00	3686470.00

*(Expenses on income generating activities** should include all costs relating to the school earnings on other receipts as recorded in note 4. These costs should include farm maintenance, posho mill maintenance, ground maintenance and costs incurred during hire of school bus among others).*

Notes To The Financial Statements (Continued)

8 Bank Accounts

Name Of Bank, Account No. & Currency	Bank Account Number	2021/2022	2021
		Kshs	Kshs
Tuition Account	01139057838400	13739.80	91932.40
Operations Account	01139057838401	14723.05	132362.55
School Fund Account/Boarding	01134057838400	27136.46	235168.46
Savings Account			
Parent Association Development Account			
Income Generating Activities Account			
Infrastructural Account	01139057838402	610983.00	
Total		666582.31	459463.41

9 Cash In Hand

Description	2021/2022	2021
	Kshs	Kshs
Tuition Account		
Operation Account	911.00	1516.00
School Fund account	21304.00	1071.00
Total	22215.00	2587.00

10 Short Term Investments

Description	2021/2022	2021
	Kshs	Kshs
Cooperative Shares		
Treasury Bills		
Fixed Deposit		
Equity Stock		
Other Investments		
Total		

Notes To The Financial Statements (Continued)

11 Accounts Receivable

Description	2021/2022	2021
	Kshs	Kshs
Fees Arrears	5136221.00	5021969.00
Other Non-Fees Receivables		
Salary Advances		
Imprest		
Total	5136221.00	5021969.00

[Include an ageing of the fees / non fees arrears below]

Description	2021/2022	2021
	Kshs	Kshs
Fees Arrears For Current Year	633372.00	2219844.00
Fees Arrears For The Previous Year	2219844.00	284032.00
Less recoveries	2283005.00	2518093.00
Total	5136221.00	5021969.00

12 Accounts Payable

Description	2021/2022	2021
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	855888.00	1902480.00
Prepaid Fees		
Retention Monies		
Total	855888.00	1902480.00

[Include an ageing of the creditor's arrears below]

Description	2021/2022	2021
	Kshs	Kshs
Trade Creditors for Current Year	543878.00	1268060.00
Trade Creditors for The Previous Year	312010.00	634420.00
Trade Creditors for Prior Periods (Over Two Years)		
Total	855888.00	1902480.00

Notes To The Financial Statements (Continued)

13 Fund Balance Brought Forward

Description	2021/2022	2021
	Kshs	Kshs
Bank Balances	459463.00	69187.00
Cash Balances	2587.00	4923.00
Short Term Investments		0
Receivables	5021969.00	2813635.00
Payables	(1902480.00)	(1150500.00)
Total	3581539.00	1737245.00

MAKANYANGA SECONDARY SCHOOL**Reports and Financial Statements For the year ended 30th June 2022****Annex 2 – Summary Of Fixed Assets Register**

Asset Class	Date purchased	Location	Historical Cost b/f (Kshs) 1st July 2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30th June 2022
Land 1	1977	KAJUKI	13500000.00			13500000.00
Land 2						
Buildings And Structures	1977	KAJUKI	22965000.00			22965000.00
Motor Vehicles	1977	KAJUKI	6000000.00			6000000.00
Office Equipment, Furniture And Fittings	1977	KAJUKI	3242600.00			3242600.00
ICT Equipment, And Other ICT Assets	1977	KAJUKI	300000.00			300000.00
Tools And Apparatus	1977	KAJUKI	139150.00			139150.00
Textbooks	1977	KAJUKI	2091550.00			2091550.00
Other Machinery And Equipment	1977	KAJUKI	154900.00			154900.00
Heritage And Cultural Assets						
Intangible Assets- Soft Ware						
Total			48393200.00			48393200.00

(The school should ensure that a detailed fixed assets register is maintained).